



**Cuyahoga Land Bank**  
**Request for Applications (RFA) – ROUND 2**  
**Housing Construction Gap Grant Program**  
**March 16, 2021**

The Cuyahoga County Land Reutilization Corporation, a/k/a the Cuyahoga Land Bank announces the availability of a second round of construction gap grants to support the construction of new single-family homes. The Cuyahoga Land Bank is a community improvement corporation formed in 2009 with a mission of strategically returning non-productive properties to productive use to improve the quality of life for Cuyahoga County residents. The Land Bank is organized as an Ohio nonprofit corporation and as a county land reutilization corporation under Chapters 1724 of the Ohio Revised Code.

**Threshold Criteria:**

The Land Bank will strategically invest in emerging markets (as defined by the Land Bank) by offering construction financing gap grants for eligible projects in order to incentivize development activity and to stimulate higher market values in these areas. Projects must first satisfy the following thresholds to be eligible for further consideration:

**Project location in emerging or future markets:** The project must be located within the boundary shown in Exhibit A. For a more detailed view of these areas, please go to <https://arcg.is/1Oz9uL>

**Project type:** Newly-constructed single- or two-family homes. Both free-standing homes and townhomes are eligible. Renovation projects are not eligible.

**Disposition type:** Homes to be built for the benefit of owner-occupants. Investor-owned rental properties are not eligible. Construction of the homes may not commence until after such time that a grant has been awarded.

**Home sales price:** Up to \$350,000. There are no income limits for the homebuyers.

**Development entity:** Developers desiring to apply may be organized as a for-profit or a non-profit entity registered with and in good standing with the Ohio Secretary of State. A developer is defined as a company whose principals and staff will conceive, control, invest in and orchestrate the project from beginning to end.

**Experience:** Developers must demonstrate that it has developed at least 3 newly-constructed, single or two-family homes or 3 newly-constructed townhouse projects in Northeast Ohio and that the units were sold during the period September 1, 2017 – March 15, 2021.

**No Debarment:** The development company and each of its principals may not be on the Cuyahoga County Inspector General's debarred contractor list.

**Other Property-related thresholds:** The development company and each of its principals may not have owned any real property wherein they lost title to the property or had any foreclosure

filings after March 15, 2018. In addition, the company and principals may not currently own any real property that:

1. is known to have material violation(s) of state and/or local codes or has a history of code violations;
2. is known to have a history of being a site for criminal activity during their ownership;
3. is tax delinquent.

Developers and projects that the Land Bank deems to have met the above-described thresholds may be eligible to apply for project financing. Please review this entire RFA to determine if your project qualifies.

The Land Bank will make at least \$1.2 million in grant funding available for this program. Applications will be accepted, and awards made on a competitive basis. **Grant applications must be submitted by 11:59 p.m. on Sunday, May 16th, 2021.**

### **Evaluation Criteria and Process:**

Applications that have satisfied the threshold criteria will be further evaluated with weight given to the following criteria and factors:

1. Projects which can be expected to: 1) have the greatest positive impact on the value of surrounding home values, and 2) encourage spin-off housing investment from others. Projects that will result in a sale by the Developer of a completed home to an owner-occupant are preferred. Less preferable is where an owner-occupant secures a vacant lot and the Developer is hired to serve as a general contractor to build a home on the aforementioned vacant lot. The reason for our preference is that in the former case the sale is recorded with the County Fiscal Office at the time of the sale of the completed home thus creating a comparable that reflects the sales price of the home. From that point on, appraisers can look to that value when appraising other properties in the neighborhood. In the latter case, the sale that is recorded is much lower - just the purchase price of the vacant lot. In these cases, there is a lag until the next triennial property assessment by the County fiscal office before the value of the completed house itself is recorded. And, it is not until then that appraisers will consider the house's value as a comparable when appraising properties in the neighborhood. Thus, the positive impact on neighborhood property values is felt more immediately when there is a recorded sale of a completed house. To put it more directly, a higher comparable will be created faster which is an important goal of this grant program;
2. Applications that include multiple units as opposed to an application for a single house. In addition, projects that propose to build multiple units located within a geographic area of no greater than 40 acres or within a municipally-approved planned unit development;
3. Projects for which site control has been secured either through direct ownership or by executed option agreements. While it is not required that the houses be built on a land bank lot, the addendum 1 provides information about opportunities to secure land bank lots.;
4. Projects that are financially feasible based on our review of the proposed product, the asking price, the sub-market, the proforma showing all projected sources and uses and the status of securing financing. Direct hard and soft costs and reasonable Developer/GC fees should be included in project costs; however, indirect costs and developer overhead expenses should not be

included. The degree to which the information that the applicant submits demonstrates that, but for the grant, the proposed project may not proceed, shall also be given weight in our evaluation;

5. Projects where the homes can feasibly be completed and a certificate of occupancy be obtained by September 30, 2022;
6. Projects supported by the local municipality as evidenced by a support letter executed by the Mayor or the Director of the City's Housing, Community Development, or Building Department. For projects within the City of Cleveland, support may also be evidenced by a support letter from the City Councilperson for the ward in which the project is to be built;
7. Projects for which detailed and relevant information has been provided. The Land Bank will not contact applicants to pursue incomplete and/or non-specific information, your application, and the supplemental attachments that you provide, shall be evaluated on their face so please be thorough in compiling your submittal. All applications must be submitted electronically.

A review committee consisting of members of the Land Bank's staff who have experience in the development, sale and/or financing of single-family homes shall review submitted applications and select projects for awards. The Land Bank reserves the right to consult others in this process, to accept and or reject any or all applications, to require additional information from an applicant, or to negotiate separately as necessary to serve its best interests.

**Grant Awards:**

The grant award minimum shall be \$10,000. For this grant round, we are offering two levels of maximum grant awards based on location as shown on the map given in addendum 2. For projects to be built within the red boundary, grant awards will be available up to a maximum of \$35,000 per house. For projects to be built within the blue boundary grant awards will be available up to a maximum of \$45,000 per house. The amount of each award will be determined by the Land Bank based on its evaluation of the financing gap, giving consideration to a reasonable return to the developer. Award announcements will be made no later than Friday, July 16, 2021.

A grant agreement shall define the terms of the grant including a requirement that the awardee submit brief monthly progress reports until the funded homes are sold. Grant dollars awarded for each house will be funded in two draws as follows:

- 1) at the awardee's request, 20% of the grant will be disbursed upon submittal to the Land Bank of an invoice(s) from the relevant vendor(s) (i.e. architect and/or land surveyor) showing that costs for the construction drawings and the land surveying work related to the project has been incurred and paid by the developer;
- 2) the remaining 80% of the grant will be disbursed to the awardee when the house is deemed to be 75% complete based on an inspection by the Land Bank. At such time as the Land Bank advances the second draw, it will place a lien on the parcel which shall later be released upon sale of the property to the homebuyer. The lien may be subordinated to 1<sup>st</sup> mortgage construction financing from a financial institution and will be released as part of the homebuyer's closing process.

The Land Bank shall retain the right to revoke its obligation to fund the grant award if: 1) the developer fails to timely submit quarterly progress reports, 2) the project has not commenced construction within 9 months of the grant award and has not achieved 75% completion within 15 months of the grant award, or 3) the inspection reveals that the construction is not being executed in compliance with local codes and/or if required building permits have not been secured.

**Application Process:**

The application form and proforma worksheet can be found on the Land Bank's website at: <http://www.cuyahogalandbank.org/gapgrant>. We strongly encourage you to read through the entire application form and the proforma worksheet before you commence completing the materials. Applications must be submitted electronically and will not be accepted on paper. Applicants must submit not only the narrative application form, but also the proforma worksheet. This worksheet was created with Excel software and includes many built-in calculations. Because of this, all applicants are required to submit this form to us in Excel format and not on paper. All application materials are to be submitted by attaching to an e-mail and sending to: [gapgrant@cuyahogalandbank.org](mailto:gapgrant@cuyahogalandbank.org)

Please submit any questions you may have to: [gapgrant@cuyahogalandbank.org](mailto:gapgrant@cuyahogalandbank.org). In your e-mail, please provide your full name, the name of your company and your phone number.

The Land Bank reserves the right to amend this RFA, the application form or the proforma worksheet. Before submitting your application, please check for any amendments and for answers to frequently asked questions (FAQ) posted at: <http://www.cuyahogalandbank.org/gapgrant>.

**Key Dates:**

RFA posted on: Tuesday, March 16, 2021

Grant application submittal deadline: 11:59 PM on Sunday, May 16, 2021

Awards announced by: Friday, July 16, 2021

The following files related to this grant can be found on our website at <http://www.cuyahogalandbank.org/gapgrant>

- Housing Construction Gap Grant – Round 2 - Request for Applications (this document)
- Housing Construction Gap Grant – Round 2 - Application Form
- Housing Construction Gap Grant – Round 2 - Proforma Worksheet
- Housing Construction Gap Grant – Round 2 – FAQ

**LAND BANK LOTS**

The Cuyahoga Land Bank has many vacant lots in its inventory that may be suitable for residential development. In addition, many of the municipalities that lie wholly or partially within the Emerging Market also operate municipal land banks and have vacant lots available.

Cuyahoga Land Bank:

To view available Cuyahoga Land Bank lots that are located within the Emerging Market please click here (note the map may take a few minutes to fully load): <https://arcg.is/11ebqr>. The lots shown on the map were as available on March 15<sup>th</sup>, 2021. Therefore, it is possible that another party has applied for the lot since the time that it was originally posted to the map. To determine the current availability of a particular lot, please contact Deidre Lightning-Whitted at (216) 698-2576 or [dwhitted@cuyahogalandbank.org](mailto:dwhitted@cuyahogalandbank.org).

Developers may apply for up to seven lots from the Cuyahoga Land Bank for which the developer will also be applying for a gap grant. Applicants who identify lot(s) of interest for home building should click on the link below for information on how to apply to purchase the lot(s). Applicants must undertake their own due diligence to determine the suitability of the available lots for new home construction and the Cuyahoga Land Bank make no representation that the lots are buildable.

Please note that applications for lots are accepted on a first-come, first-served basis and we strongly encourage you to apply for lots by no later than April 16<sup>th</sup>. To ensure that your application is queued, please submit the lot application by email to [dwhitted@cuyahogalandbank.org](mailto:dwhitted@cuyahogalandbank.org). The first party to apply and make a deposit on a lot will hold the reservation for a particular lot. The application for the lot will be evaluated in tandem with your application for a gap grant. For the purposes of our evaluation of your gap grant application, having a lot reservation will be considered the equivalent of having site control.

Vacant lot for new residential construction application link:

[http://www.cuyahogalandbank.org/forms/cclrc\\_new\\_construction\\_application.pdf](http://www.cuyahogalandbank.org/forms/cclrc_new_construction_application.pdf)

Municipal Land Banks:

The chart below provides contact information for municipalities located within the Emerging Market that, to the best of our knowledge, operate land banks. Please contact the municipality directly to learn about its program policies and application process.

If you are working with a municipal land bank, it may not offer you the opportunity to gain full site control prior to the time that the gap grant application is due. Some municipalities require certain regulatory approvals before they will commit to sell the land bank’s lots. If this is the case, on the grant application form, please provide the parcel numbers and explain the status of your company’s efforts to secure site control from the municipality. We will follow-up with municipal staff to gain a better understanding of the municipality’s process and will take into consideration the capacity of your company to successfully navigate the process and secure the necessary approvals.

City	Contact	Phone Number	Weblink
City of Brookpark	Ted Hurst	(216) 433-7412	

<b>City</b>	<b>Contact</b>	<b>Phone Number</b>	<b>Weblink</b>
City of Brooklyn	Dave Kulcsar	(216) 635-4201	
Cleveland	Terry Robbins	(216) 664-4126	<a href="http://www.city.cleveland.oh.us/CityofCleveland/Home/Government/CityAgencies/CommunityDevelopment/LandBank">http://www.city.cleveland.oh.us/CityofCleveland/Home/Government/CityAgencies/CommunityDevelopment/LandBank</a>
Cleveland Heights	Adrienne Carr	(216) 291-5908	<a href="https://www.clevelandheights.com/1337/Neighborhood-Redevelopment">https://www.clevelandheights.com/1337/Neighborhood-Redevelopment</a>
City of Euclid	Planning & Zoning	(216) 289-8164	<a href="http://www.cityofeuclid.com/community/development/PlanningandZoningDivision/LandbankPropertyListingandMap">http://www.cityofeuclid.com/community/development/PlanningandZoningDivision/LandbankPropertyListingandMap</a>
East Cleveland	Salondra Wallace	(216) 681-2082	<a href="https://www.eastcleveland.org/departments/building-housing/">https://www.eastcleveland.org/departments/building-housing/</a>
Garfield Heights	Karyn Anandel	(216) 475-5384	<a href="https://www.garfieldhts.org/Economic-Development">https://www.garfieldhts.org/Economic-Development</a>
Maple Heights	Patrick Grogan-Meyers	(216) 587-9032	<a href="https://www.citymapleheights.com/land-bank">https://www.citymapleheights.com/land-bank</a>
Newburgh Heights	Kristine Pagsuyoin	(216) 641-2716	
Shaker Heights	Kamla Lewis	(216) 491-1374	<a href="https://www.shakeronline.com/275/Vacant-Lot-Program">https://www.shakeronline.com/275/Vacant-Lot-Program</a>
South Euclid	Stephen Karr	(216) 691-4206	<a href="https://www.onesoutheuclid.org/buildgrowthrive/">https://www.onesoutheuclid.org/buildgrowthrive/</a>
Warrensville Heights	Raymon Turner	(216) 587-1144	<a href="https://www.cityofwarrensville.com/246/Available-Properties">https://www.cityofwarrensville.com/246/Available-Properties</a>

